

Executive Summary Report

Appraisal Date 1/1/2005 - 2005 Assessment Year

Quadrant Name: Northwest King County Commercial Area

Previous Physical Inspection: 1/2004

Sales – Improved Analysis Summary:

Number of Sales: 217

Range of Sales Dates: 1/01 – 2/05

Sales – Ratio Study Summary:

	Improved Value	Sale Price	Ratio	COV
2004 Value	\$1,064,400	\$1,211,000	87.90%	19.92%
2005 Value	\$1,167,300	\$1,211,000	96.40%	8.20%
Change	+\$102,900		+8.50%	-11.72%
% Change	+9.67%		+9.67%	-58.84%

*COV is a measure of uniformity, the lower the number the better the uniformity. The negative figures of –11.72% and –58.84% actually represent an improvement.

Sales used in Analysis: All improved sales which were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis.

Population - Parcel Summary Data:

	Land	Imps	Total
2004 Value	\$7,259,467,300	\$3,712,783,515	\$10,972,030,815
2005 Value	\$7,734,777,400	\$4,206,845,463	\$11,941,622,863
Percent Change	+6.55%	+13.31%	+8.84%

Number of Parcels in the Population: 5308 excluding specialties

Conclusion and Recommendation:

Since the values recommended in this report improve uniformity, assessment level and generally reflect the Northwest King County rising real estate market, we recommend posting these values for the 2005 assessment year.

Analysis Process

Highest and Best Use Analysis

As if vacant: Market analysis of this region , together with current zoning and anticipated use, indicates that the highest and best use of the majority of the appraised parcels as commercial use. Any opinion not consistent with this analysis is noted in our records and is considered in the valuation of specific parcels.

As if improved: Based on neighborhood trends, the existing buildings are considered the highest and best use for most parcels. The existing use will continue until land value, in its highest and best use, exceeds the total value of the entire parcel in its current use and the cost to remove the improvements. For those properties that are not at highest and best use, then a token value of \$1,000 is assigned to the improvements.

Special Assumptions, Departures and Limiting Conditions

The sales comparison, cost, and income approaches were considered for this mass appraisal valuation.

The following Departmental guidelines were considered and adhered to:

- ✚ Sales from 1/01 to 02/05 (at minimum) were considered in all analyses.
- ✚ No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of a two years (at a minimum) of market information without time adjustments averaged any net changes over that time period.
- ✚ This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Northwest King County (Areas 10,17,19,20 &25)

Boundaries:

The area is bound on the north by the King /Snohomish County line, to the west by Puget Sound, and to the east by Lake Washington. The south boundary starts at Lake Washington and runs west along the Township line (East Spruce Street) to the Interstate (I5), then north to East Galer Street, then around the south end of Lake Union backup to Galer Street, then west to Aloha Street, then northwest to 15th Avenue West and West Galer Street.

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

Northwest King County is primarily a residential area with a few commercial districts to service their communities. There are many multi-family areas with the major ones being Capitol Hill, Queen Anne Hill, Magnolia, University, Lake City, Green Lake, Greenwood, Ballard, Crown Hill, Richmond Beach, Shoreline and Lake Forest Park. Community Business Areas that service these densely populated zones include Broadway, Madison Park, The Top of Queen Anne Hill, Magnolia Village, The University District, Wallingford, Downtown Ballard, Fremont, Lake City Way and Aurora Avenue. Additionally the regional malls, Northgate and University Village, are drawing clientele from all over Western Washington. Institutions that have a major impact on Northwest King County are the hospitals located on First and Capitol Hills and the University of Washington. The only industrial areas in North Seattle lie along the Waterfront, Lake Union and the Ship Canal, and a section of Ballard.

Preliminary Ratio Analysis

A Ratio Study was completed prior to the application of the 2005 recommended values. This study benchmarks the current assessment level using 2004 posted values. The study was also repeated after application of the 2005 recommended values. The results are included in the validation section of this report, showing an improvement in the Weighted Mean Ratio from .879 to .964.

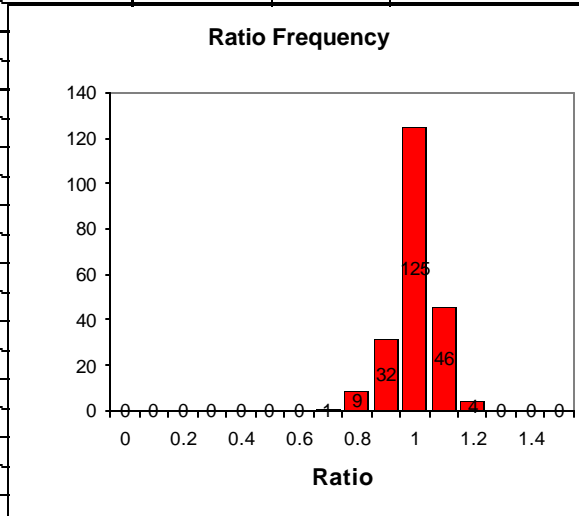
Commercial North Crew
A 2005 Ratio Looking At Sales
Using The 2004 Assessed Values

Quadrant/Crew:	Lien Date:	Date:		Sales Dates:	
North Crew	1/1/2004	5/2/2005		1/1/02 - 02/28/05	
Area	Appr ID:	Prop Type:		Trend used?: Y / N	
10, 17, 19, 20, 25	BCHR	Improvement		N	
SAMPLE STATISTICS					
Sample size (n)	217	<div style="text-align: center;">Ratio Frequency</div>			
Mean Assessed Value	1,064,400				
Mean Sales Price	1,211,000				
Standard Deviation AV	2,805,125				
Standard Deviation SP	2,811,826				
ASSESSMENT LEVEL					
Arithmetic mean ratio	0.856				
Median Ratio	0.914				
Weighted Mean Ratio	0.879				
UNIFORMITY					
Lowest ratio	0.2297				
Highest ratio:	1.2363				
Coeffient of Dispersion	13.62%				
Standard Deviation	0.1706				
Coefficient of Variation	19.92%				
Price-related Differential	0.97				
RELIABILITY					
95% Confidence: Median					
Lower limit	0.886				
Upper limit	0.940				
95% Confidence: Mean					
Lower limit	0.833				
Upper limit	0.879				
SAMPLE SIZE EVALUATION					
N (population size)	5308				
B (acceptable error - in decimal)	0.05				
S (estimated from this sample)	0.1706				
Recommended minimum:	46				
Actual sample size:	217				
Conclusion:	OK				
NORMALITY					
Binomial Test					
# ratios below mean:	80				
# ratios above mean:	137				
z:	3.801527706				
Conclusion:	Non-normal				
*i.e., no evidence of non-normality					

These figures reflect measurements before posting new values.

Commercial North Crew
A 2005 Ratio Looking At Sales
Using The 2005 Assessed Values

North Crew	1/1/2005	5/2/2005		1/1/02 - 02/28/05
Area	Appr ID:	Prop Type:		Trend used?: Y / N
10, 17, 19, 20, 25	BCHR	Improvement	N	
SAMPLE STATISTICS				
Sample size (n)	217			
Mean Assessed Value	1,167,300			
Mean Sales Price	1,211,000			
Standard Deviation AV	2,822,766			
Standard Deviation SP	2,811,826			
ASSESSMENT LEVEL				
Arithmetic mean ratio	0.954			
Median Ratio	0.964			
Weighted Mean Ratio	0.964			
UNIFORMITY				
Lowest ratio	0.6981			
Highest ratio:	1.1849			
Coefficient of Dispersion	5.94%			
Standard Deviation	0.0782			
Coefficient of Variation	8.20%			
Price-related Differential	0.99			
RELIABILITY				
95% Confidence: Median				
Lower limit	0.953			
Upper limit	0.972			
95% Confidence: Mean				
Lower limit	0.943			
Upper limit	0.964			
SAMPLE SIZE EVALUATION				
N (population size)	5308			
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.0782			
Recommended minimum:	10			
Actual sample size:	217			
Conclusion:	OK			
NORMALITY				
Binomial Test				
# ratios below mean:	95			
# ratios above mean:	122			
z:	1.764995007			
Conclusion:	Normal*			
*i.e., no evidence of non-normality				



These figures reflect measurements after posting new values.